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PRIME MINISTER

c.c. Mr. Ingham
Mr. Duguid

Civil Service Industrial Dispute: Latest Developments

There are one or two developments - on the whole, rather unhelpful - of which you should be aware.

The Public Service Pensions Computer

Mr. Pym explained to you this morning that the operators of his computer in Crawley are now on strike, as a result of which the payment of public sector pensions is interrupted. The payment task is too substantial to be undertaken manually, but the unions have undertaken to deal manually with hardship cases. Newspaper advertisements on Monday will invite written applications in such cases, and either Mr. Pym or Mr. Hayhoe will make himself available to the media to explain what is going on.

Inland Revenue

It is becoming clear that the Inland Revenue Staff Federation is now concentrating its industrial action on the collection service; increasing numbers of collectors in charge of local offices are now either on strike or have been subject to TRD, and as a result well over half the collection offices are not sending in revenue. However, the major payers are still operating the special arrangements. The Treasury will have a new assessment available at the beginning of next week of the effect of all this on receipts.

Civil Aviation Authority

Disruption by the Air Traffic Controllers continues, and there is now some anecdotal evidence of a reduction in tourist receipts, as potential overseas visitors read stories about the likelihood of their flights being subject to delay or cancellation. This seems to be hitting Scotland in particular, where the overseas bed occupancy rate is down from 7% to 3%, although the appalling summer may partly be to blame.

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The next meeting of the unions is on 2 July, when they will decide what to do next in the light of the success of their fund raising operation.

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